

VZCZCXYZ0001
OO RUEHWEB

DE RUEHIN #1092 1350857
ZNR UUUUU ZZH
O 150857Z MAY 07
FM AIT TAIPEI
TO RUEHC/SECSTATE WASHDC IMMEDIATE 5259
INFO RUEHC/DEPT OF AGRICULTURE WASHDC PRIORITY
RUCPDO/DEPT OF COMMERCE WASHDC PRIORITY

UNCLAS AIT TAIPEI 001092

SIPDIS

SENSITIVE

SIPDIS

STATE PASS AIT/W AND USTR
STATE FOR EAP/TC, EAP/MLS,
USTR FOR BOLLYKY, ALTBACH AND STRATFORD
USDOC FOR 4431/ITA/MAC/AP/OPB/TAIWAN/MCHOI
USDOC FOR USPTO GIN AND BROWNING AND SNYDOR

E.O. 12958: N/A

TAGS: [ECON](#) [EFIN](#) [ETRD](#) [EINV](#) [KIPR](#) [TW](#)

SUBJECT: TIFA - LOOKS LIKE WE HAVE A DATE, NOT SO SURE
ABOUT TYCO

Summary

1. (SBU) Minister of Economic Affairs Steven Chen confirmed the dates of July 10-11 for the TIFA Council Talks and urged both sides to consult extensively over the next few weeks. On Tyco, he noted that the Ministry of Finance preferred that the case be resolved in the courts, but offered to suggest a contact at MinFin for Tyco to meet with in an upcoming visit.
End Summary.

TIFA Time

2. (SBU) AIT Deputy Director Robert Wang met with Minister of Economic Affairs Steven Chen (Ruey-long) on May 15 to confirm dates for the next round of Trade Investment Framework Agreement (TIFA) talks. Chen was accompanied by MOEA Deputy Minister Hsieh Fa-dah, Bureau of Foreign Trade (BOFT) Director General Franco Huang (Chih-peng), Office of the Trade Negotiator Principal Negotiator for NAMA Lee Su-hua, BOFT North American Affairs Director Robert Leng, and Chen's personal assistant Jason Chen. The Deputy Director was accompanied by Econ Chief Daniel Moore and EconOff Michael Cavanaugh.

3. (SBU) Minister Chen confirmed the dates of July 10-11 for the next TIFA Council meeting to be held in Washington. He also agreed to the Deputy Director's suggestion to provide suggested agenda items in the next few days. Chen stated that Taiwan's head of delegation had not yet been decided, although it was probable that it would be John Deng, Chief Representative, Office of Trade Negotiator. It is also possible that he would lead the delegation, he said.

4. (SBU) The Minister stated that he did not anticipate any change in Taiwan's level of engagement in the TIFA process with the the resignation of Premier Su, though noted some ministerial positions could be changed. Now that the TIFA dates have been confirmed, Chen suggested that experts from both sides consult extensively in the coming weeks to make sure that the talks are a success. He welcomed the opportunity to hold DVCs on the various proposed agreements and other issues. The Deputy Director agreed and noted that AIT would also be working with AmCham it prepares to issue its annual "White Paper" later this month and for their Washington "door-knock" scheduled for June 11-15. AIT will urge AmCham to express its support for the TIFA agenda during its annual door-knock campaign.

TYCO Time?

14. (SBU) Econ Chief raised the Tyco thermistor tariff issue, asking for Minister Chen's view on whom Tyco Controller Jeffrey Harrison should meet during Harrison's planned visit to Taipei May 21-24. (Note: Following the meeting TYCO's Taiwan office informed AIT that Harrison is delaying his trip to sometime in June.) Chen directed his staff to prepare a status report of the case and consult with the Ministry of Finance on its views. He said the appropriate person to meet would probably be the Director General of Customs, but asked for a little time to first contact MinFin. BOFT DG Franco Huang suggested that MinFin believes the best way to deal with the issue is to have the court system adjudicate all of the remaining cases. AIT noted that this position is very rigid, emphasizing that Tyco is willing to discuss and make a settlement so it can eliminate an undetermined liability from its financial reports. Chen acknowledged that MinFin's position has remained unchanged over time and said that the lower levels of MinFin are extremely stubborn on this issue. He said Taiwan's bureaucratic system mandates that decisions must come up through the hierarchy, meaning that it is not possible for a Minister to simply direct an outcome. He added that Taiwan officials are extremely prudent in considering legal issues and the possible ramifications.

YOUNG